



How Hitler Tackled Unemployment And Revived Germany's Economy

By Mark Weber

To deal with the massive unemployment and economic paralysis of the Great Depression, both the US and German governments launched innovative and ambitious programs. Although President Franklin Roosevelt's "New Deal" measures helped only marginally, the Third Reich's much more focused and comprehensive policies proved remarkably effective. Within three years unemployment was banished and Germany's economy was flourishing. And while Roosevelt's record in dealing with the Depression is pretty well known, the remarkable story of how Hitler tackled the crisis is not widely understood or appreciated.

Adolf Hitler became Chancellor of Germany on January 30, 1933. A few weeks later, on March 4, Franklin Roosevelt took office as President of the United States. Each man remained his country's chief executive for the next twelve years – until April 1945, shortly before the end of World War II in Europe. In early 1933 industrial production in each country had fallen to about half of what it had been in 1929. Each leader quickly launched bold new initiatives to tackle the terrible economic crisis, above all the scourge of mass unemployment. And although there are some striking similarities between the efforts of the two governments, the results were very different.

One of the most influential and widely read American economists of the twentieth century was John Kenneth Galbraith. He was an advisor to several presidents, and for a time served as US ambassador to India. He was the author of several dozen books, and for years taught economics at Harvard University. With regard to Germany's record, Galbraith wrote: "... The elimination of unemployment in Germany during the Great Depression without inflation – and with initial reliance on essential civilian activities – was a signal accomplishment. It has rarely been praised and not much remarked. The notion that Hitler could do no good extends to his economics as it does, more plausibly, to all else."

The Hitler regime's economic policy, Galbraith goes on, involved "large scale borrowing for public expenditures, and at first this was principally for civilian work – railroads, canals and the Autobahnen [highway network]. The result was a far more effective attack on unemployment than in any other industrial country." / 1 "By late 1935," he also wrote, "unemployment was at an end in Germany. By 1936 high income was pulling up prices or making it possible to raise them ... Germany, by the late thirties, had full employment at stable prices. It was, in the industrial world, an absolutely unique achievement." / 2 "Hitler also anticipated modern economic policy," the economist noted, "by recognizing that a rapid approach to full employment was only possible if it was combined with wage and price controls. That a nation oppressed by economic fears would respond to Hitler as Americans did to F.D.R. is not surprising." / 3

Other countries, Galbraith wrote, failed to understand or to learn from the German experience: "The German example was instructive but not persuasive. British and American conservatives looked at the Nazi financial heresies – the borrowing and spending – and uniformly predicted a breakdown ... And American liberals and British socialists looked at the repression, the destruction of the unions, the Brownshirts, the Blackshirts, the concentration camps, and screaming oratory, and ignored the economics. Nothing good [they believed], not even full employment, could come from Hitler." / 4

Two days after taking office as Chancellor, Hitler addressed the nation by radio. Although he and other leaders of his movement had made clear their intention to reorganize the nation's social, political, cultural and educational life in accord with National Socialist principles, everyone knew that, with some six million jobless and the national economy in paralysis, the great priority of the moment was to restore the nation's economic life, above all by tackling unemployment and providing productive work.

"The misery of our people is horrible to behold!" said Hitler in this inaugural address. / 5 "Along with the hungry unemployed millions of industrial workers there is the impoverishment of the whole middle class and the artisans. If this collapse finally also finishes off the German farmers we will face a catastrophe of incalculable dimension. For that would be not just the collapse of a nation, but of a two-thousand-year-old inheritance of some of the greatest achievements of human culture and civilization ..."

The new government, Hitler said, would "achieve the great task of reorganizing our nation's economy by means of two great four-year plans. The German farmer must be rescued to maintain the nation's food supply

and, in consequence, the nation's vital foundation. The German worker will be saved from ruin with a concerted and all-embracing attack against unemployment."

"Within four years," he pledged, "unemployment must be decisively overcome ... The Marxist parties and their allies have had 14 years to show what they can do. The result is a heap of ruins. Now, people of Germany, give us four years and then pass judgment upon us!"

Rejecting the cloudy and impractical economic views of some radical activists in his Party, Hitler turned to men of proven ability and competence. Most notably, he enlisted the help of Hjalmar Schacht, a prominent banker and financier with an impressive record in both private business and public service. Even though Schacht was certainly no National Socialist, Hitler appointed him President of Germany's central bank, the Reichsbank, and then as Minister of Economics.

After taking power, writes Prof. John Garraty, a prominent American historian, Hitler and his new government "immediately launched an all-out assault on unemployment ... They stimulated private industry through subsidies and tax rebates, encouraged consumer spending by such means as marriage loans, and plunged into the massive public-works program that produced the autobahn [highway system], and housing, railroad and navigation projects." / 6

The regime's new leaders also succeeded in persuading formerly skeptical and even hostile Germans of their sincerity, resolve and ability. This fostered trust and confidence, which in turn encouraged businessmen to hire and invest, and consumers to spend with an eye to the future.

As he had promised, Hitler and his National Socialist government banished unemployment within four years. The number of jobless was cut from six million at the beginning of 1933, when he took power, to one million by 1936. / 7 So rapidly was the jobless rate reduced that by 1937-38 there was a national labor shortage. / 8

For the great mass of Germans, wages and working conditions improved steadily. From 1932 to 1938 gross real weekly earnings increased by 21 percent. After taking into account tax and insurance deductions and adjustments to the cost of living, the increase in real weekly earnings during this period was 14 percent. At the same time, rents remained stable, and there was a relative decline in the costs of heating and light. Prices actually declined for some consumer goods, such as electrical appliances, clocks and watches, as well as for some foods. "Consumer prices rose at an average annual rate of just 1.2 percent between 1933 and 1939," notes British historian Niall Ferguson. "This meant that Germans workers were better off in real as well as nominal terms: between 1933 and 1938, weekly net earnings (after tax) rose by 22 percent, while the cost of living rose by just seven percent." Even after the outbreak of war in September 1939, workers' income continued to rise. By 1943 average hourly earnings of German workers had risen by 25 percent, and weekly earnings by 41 percent. / 9

The "normal" work day for most Germans was eight hours, and pay for overtime work was generous. / 10 In addition to higher wages, benefits included markedly improved working conditions, such as better health and safety conditions, canteens with subsidized hot meals, athletic fields, parks, subsidized theater performances and concerts, exhibitions, sports and hiking groups, dances, adult education courses, and subsidized tourism. / 11 An already extensive network of social welfare programs, including old age insurance and a national health care program, was expanded.

Hitler wanted Germans to have "the highest possible standard of living," he said in an interview with an American journalist in early 1934. "In my opinion, the Americans are right in not wanting to make everyone the same but rather in upholding the principle of the ladder. However, every single person must be granted the opportunity to climb up the ladder." / 12 In keeping with this outlook, Hitler's government promoted social mobility, with wide opportunities to improve and advance. As Prof. Garraty notes: "It is beyond argument that the Nazis encouraged working-class social and economic mobility." To encourage acquisition of new skills, the government greatly expanded vocational training programs, and offered generous incentives for further advancement of efficient workers. / 13

Both National Socialist ideology and Hitler's basic outlook, writes historian John Garraty, "inclined the regime to favor the ordinary German over any elite group. Workers ... had an honored place in the system." In accord with this, the regime provided substantive fringe benefits for workers that included subsidized housing, low-cost excursions, sports programs, and more pleasing factory facilities. / 14

In his detailed and critical biography of Hitler, historian Joachim Fest acknowledged: "The regime insisted that it was not the rule of one social class above all others, and by granting everyone opportunities to rise, it in fact demonstrated class neutrality ... These measures did indeed break through the old, petrified social structures. They tangibly improved the material condition of much of the population." / 15

A few figures give an idea of how the quality of life improved. Between 1932, the last year of the pre-Hitler era, and 1938, the last full year before the outbreak of war, food consumption increased by one sixth, while clothing and textile turnover increased by more than a quarter, and of furniture and household goods by 50 percent. / 16 During the Third Reich's peacetime years, wine consumption rose by 50 percent, and champagne consumption increased five-fold. / 17 Between 1932 and 1938, the volume of tourism more than doubled, while automobile ownership during the 1930s tripled. / 18 German motor vehicle production, which included cars made by the US-owned Ford and General Motors (Opel) works, doubled in the five years of 1932 to 1937, while Germany's motor vehicle exports increased eight-fold. Air passenger traffic in Germany more than tripled from 1933 to 1937. / 19

German business revived and prospered. During the first four years of the National Socialist era, net profits of large corporations quadrupled, and managerial and entrepreneurial income rose by nearly 50 percent. / 20 Between 1933 and 1938, notes historian Niall Ferguson, Germany's "gross domestic product grew, on average, by a remarkable eleven percent a year," with no significant increase in the rate of inflation. / 21 "Things were to get even better," writes Jewish historian Richard Grunberger in his detailed study, *The Twelve-Year Reich*. "In the three years between 1939 and 1942 German industry expanded as much as it had during the preceding fifty years." / 20

Although German businesses flourished, profits were controlled and by law were kept within moderate limits. / 21 Beginning in 1934, dividends for stockholders of German corporations were limited to six percent annually. Undistributed profits were invested in Reich government bonds, which had an annual interest yield of six percent, and then, after 1935, of four and a half percent. This policy had the predictable effect of encouraging corporate reinvestment and self-financing, and thereby of reducing borrowing from banks and, more generally, of diminishing the influence of commercial capital. / 22

Corporation tax rates were steadily raised, from 20 percent in 1934 to 25 percent in 1936, and to 40 percent in 1939-40. Directors of German companies could grant bonuses to managers, but only if these were directly proportionate to profits and they also authorized corresponding bonuses or "voluntary social contributions" to employees. / 23

Between 1934 and 1938, the gross taxable income of German businessmen increased by 148 percent, and overall tax volume increased during this period by 232 percent. The number of taxpayers in the highest income tax bracket -- those earning more than 100,000 marks annually -- increased during this period by 445 percent. (By contrast, the number of taxpayers in the lowest income bracket -- those earning less than 1500 marks yearly -- increased by only five percent.) / 24

Taxation in National Socialist Germany was sharply "progressive," with those of higher income paying proportionately more than those in the lower income brackets. Between 1934 and 1938, the average tax rate on incomes of more than 100,000 marks rose from 37.4 percent to 38.2 percent. In 1938 Germans in the lowest tax brackets were 49 percent of the population and had 14 percent of the national income, but paid only 4.7 percent of the tax burden. Those in the highest income category, who were just one percent of the population but with 21 percent of the income, paid 45 percent of the tax burden. / 25

Jews made up about one percent of Germany's total population when Hitler came to power. While the new government moved quickly to remove them from the nation's political and cultural life, Jews were permitted to carry on in economic life, at least for several years. In fact, many Jews benefited from the regime's recovery measures and the general economic revival. In June 1933, for example, Hitler approved a large-scale government investment of 14.5 million marks in the Jewish-owned firm Hertie, a Berlin department store chain. This "bail out" was done to prevent the ruin of the large firm's suppliers, financiers, and, above all, its 14,000 employees. / 26

Prof. Gordon Craig, who for years taught history at Stanford University, points out: "In the clothing and retail trades, Jewish firms continued to operate profitably until 1938, and in Berlin and Hamburg, in particular, establishments of known reputation and taste continued to attract their old customers despite their ownership by Jews. In the world of finance, no restrictions were placed upon the activities of Jewish firms in the Berlin Bourse [stock market], and until 1937 the banking houses of Mendelssohn, Bleichröder, Arnhold, Dreyfuss, Straus, Warburg, Aufhäuser, and Behrens were still active." / 27 Five years after Hitler had come to power, the Jewish role in business life was still a significant one, and Jews still held considerable real estate holdings, especially in Berlin. This changed markedly in 1938, however, and by the end of 1939 Jews had been largely removed from German economic life.

Germany's crime rate fell during the Hitler years, with significant drops in the rates of murder, robbery, theft, embezzlement and petty larceny. / 28 Improvement in the health and outlook of Germans impressed many foreigners. "Infant mortality has been greatly reduced and is considerably inferior to that in Great Britain," wrote Sir Arnold Wilson, a British M.P. who visited Germany seven times after Hitler had come to power. "Tuberculosis and other diseases have noticeably diminished. The criminal courts have never had so little to

do and the prisons have never had so few occupants. It is a pleasure to observe the physical aptitude of the German youth. Even the poorest persons are better clothed than was formerly the case, and their cheerful faces testify to the psychological improvement that has been wrought within them." / 29

The improved psychological-emotional well-being of Germans during this period has also been noted by social historian Richard Grunberger. "There can be little doubt," he wrote, "that the [National Socialist] seizure of power engendered a wide-spread improvement in emotional health; this was not only a result of the economic upswing, but of many Germans' heightened sense of identification with the national purpose." / 30

Austria experienced a dramatic upswing after it joined the German Reich in March 1938. Immediately following the *Anschluss* ("union"), officials moved quickly to relieve social distress and revitalize the moribund economy. Investment, industrial production, housing construction, consumer spending, tourism and the standard of living rose rapidly. Between June and December 1938 alone, the weekly income of Austria's industrial workers rose by nine percent. The National Socialist regime's success in banishing unemployment was so rapid that American historian Evan Burr Bukey was moved to call it "one of the most remarkable economic achievements in modern history." The jobless rate in Austria dropped from 21.7 percent in 1937 to 3.2 percent in 1939. The Austrian GNP rose 12.8 percent in 1938, and an astonishing 13.3 percent in 1939. / 31

An important expression of national confidence was a sharp increase in the birth rate. Within a year after Hitler came to power, the German birth rate jumped by 22 percent, rising to a high point in 1938. It remained high even in 1944 – the last full year of World War II. / 32 In the view of historian John Lukacs, this jump in the birth rate was an expression of "the optimism and the confidence" of Germans during the Hitler years. "For every two children born in Germany in 1932, three were born four years later," he notes. "In 1938 and 1939, the highest marriage rates in all of Europe were registered in Germany, superseding even those among the prolific peoples of Eastern Europe. The phenomenal rise of the German birthrate in the thirties was even steeper than the rise of the marriage rate." / 33 "National Socialist Germany, alone among countries peopled by whites, succeeded in attaining some increase in fertility," notes the outstanding Scottish-born American historian Gordon A. Craig, with a sharp rise in the birth rate after Hitler came to power, and a steady increase in the years that followed. / 34

In a lengthy address to the Reichstag in early 1937, Hitler recalled the pledges he had made when his government assumed power. He also explained the principles on which his policies were based, and looked back at what had been accomplished in four years. / 35 "... Those who talk about 'democracies' and 'dictatorships,'" he said, "simply do not understand that a revolution has been carried out in this country, the results of which can be considered democratic in the highest sense of the term, if democracy has any real meaning ... The National Socialist Revolution has not aimed at turning a privileged class into a class that will have no rights in the future. Its aim has been to give equal rights to those who had no rights ... Our objective has been to make it possible for the whole German people to be active, not only in the economic but also in the political field, and to secure this by organizationally involving the masses ... During the past four years we have increased German production in all areas to an extraordinary degree. And this increase in production has been to the benefit of all Germans."

In another address two years later, Hitler spoke briefly about his regime's economic achievement: / 36 "I overcame chaos in Germany, restored order, enormously raised production in all fields of our national economy, by strenuous efforts produced substitutes for numerous materials that we lack, encouraged new inventions, developed traffic, caused mighty roads to be built and canals to be dug, called into being gigantic factories, and at the same time endeavored to further the education and culture of our people for the development of our social community. I succeeded in finding useful work once more for the whole of the seven million unemployed, who so touched all our hearts, in keeping the German farmer on his soil in spite of all difficulties, and in saving the land itself for him, in restoring a prosperous German trade, and in promoting traffic to the utmost."

It's often been claimed, even by some supposedly reputable scholars, that Hitler's success in reviving his nation's economic life was based largely on government spending for rearmament and preparation for war. This is a myth. As the renowned British historian A. J. P. Taylor noted: / 37 "Germany's economic recovery, which was complete by 1936, did not rest on rearmament; it was caused mainly by lavish expenditure on public works, particularly on motor roads, and this public spending stimulated private spending also, as [British economist John Maynard] Keynes had said it would. Hitler actually skimped on armaments, despite his boasting, partly because he wished to avoid the unpopularity which a reduction of the German standard of living would cause, but more from the confident belief that he would always succeed in bluff. Thus, paradoxically, while nearly everyone else in Europe expected a great war, Hitler was the one man who neither expected nor planned for it."

American historian John Garraty compared the American and German responses to the Great Depression in a much-discussed article published in the *American Historical Review*. He wrote: / 38 "The two movements [that is, in the US and in Germany] nevertheless reacted to the Great Depression in similar ways, distinct from those

of other industrial nations. Of the two the Nazis were the more successful in curing the economic ills of the 1930s. They reduced unemployment and stimulated industrial production faster than the Americans did and, considering their resources, handled their monetary and trade problems more successfully, certainly more imaginatively. This was partly because the Nazis employed deficit financing on a larger scale and partly because their totalitarian system better lent itself to the mobilization of society, both by force and by persuasion. By 1936 the depression was substantially over in Germany, far from finished in the United States."

In fact, the jobless rate in the United States remained high until the stimulation of large-scale war production took hold. Even as late as March 1940, the US unemployment rate was still almost 15 percent of the work force. It was production for war, not Roosevelt's "New Deal" programs, that finally brought full employment. / 39

Prof. William Leuchtenburg, a prominent American historian known best for his books on the life and career of Franklin Roosevelt, summed up the President's mixed record in a highly acclaimed study. "The New Deal left many problems unsolved and even created some perplexing new ones," concluded Leuchtenburg. "It never demonstrated that it could achieve prosperity in peacetime. As late as 1941, the unemployed still numbered six million, and not until the war year of 1943 did the army of jobless finally disappear." / 40

The contrast between the German and American economic records during the 1930s is all the more striking when one takes into account that the US had vastly greater natural resource wealth, including large petroleum reserves, as well as a lower population density, and no hostile, well-armed neighbors.

In an address given in December 1941, Hitler himself compared the record of his government and that of President Roosevelt in dealing with the challenge of the world economic crisis. / 41

"Whereas the German Reich experienced an enormous improvement in social, economic, cultural and artistic life in just a few years under National Socialist leadership," he said, "President Roosevelt was not able to bring about even limited improvements in his own country. This task should have been much easier in the United States, with barely 15 people per square kilometer, as compared to 140 in Germany. If economic prosperity is not possible in that country, it must be the result of either a lack of will by the ruling leadership or the complete incompetence of the men in charge. In just five years, the economic problems were solved in Germany and unemployment was eliminated. During this same period, President Roosevelt enormously increased his country's national debt, devalued the dollar, further disrupted the economy, and maintained the same number of unemployed."

In another major address given that same year, Hitler compared the social-political-economic systems of the United States, the Soviet Union, and Germany. / 42 "We've now gotten to know two [social-political] extremes," he said. "One is that of the Capitalist states, which use lies, fraud and swindling to deny their peoples the most basic vital rights, and which are concerned entirely with their own financial interests, for which they are ready to sacrifice millions of people. On the other hand we've seen [in the Soviet Union] the Communist extreme: a state that's brought unspeakable misery to millions and millions, and which, following its doctrine, sacrifices the happiness of others. From this [awareness], in my view, there is for all of us only one obligation, namely, to strive more than ever toward our national and socialist ideal ... In this [German] state the prevailing principle is not, as in Soviet Russia, the principle of so-called equality, but rather only the principle of justice."

Could Hitler's economic policies work in the United States? These policies are probably most workable in countries such as Sweden, Denmark, and the Netherlands, with a well-educated, self-disciplined and ethnically-culturally cohesive population, and a traditionally strong "communitarian" ethos with a correspondingly high level of social trust. Hitler's economic policies are less applicable in the United States and other societies with an ethnically-culturally diverse population, a markedly individualistic, "laissez-faire" tradition, and a correspondingly weaker "communitarian" spirit. / 43

David Lloyd George — who had been Britain's prime minister during the First World War — made an extensive tour of Germany in late 1936. In an article published afterwards in a leading London newspaper, the British statesman recounted what he had seen and experienced. / 44

"Whatever one may think of his [Hitler's] methods," wrote Lloyd George, "and they are certainly not those of a parliamentary country, there can be no doubt that he has achieved a marvelous transformation in the spirit of the people, in their attitude towards each other, and in their social and economic outlook.

"He rightly claimed at Nuremberg that in four years his movement had made a new Germany. It is not the Germany of the first decade that followed the war — broken, dejected and bowed down with a sense of apprehension and impotence. It is now full of hope and confidence, and of a renewed sense of determination to lead its own life without interference from any influence outside its own frontiers.

"There is for the first time since the war a general sense of security. The people are more cheerful. There is a greater sense of general gaiety of spirit throughout the land. It is a happier Germany. I saw it everywhere, and Englishmen I met during my trip and who knew Germany well were very impressed with the change."

"This great people," the seasoned statesman went on to warn, "will work better, sacrifice more, and, if necessary, fight with greater resolution because Hitler asks them to do so. Those who do not comprehend this central fact cannot judge the present possibilities of modern Germany."

Although prejudice and ignorance have hindered a wider awareness and understanding of Hitler's economic policies and their impact, his success in economic policy has been acknowledged by historians, including scholars who are generally very critical of the German leader and his regime's policies.

John Lukacs, a Hungarian-born American historian whose books have generated much comment and praise, has written: "Hitler's achievements, domestic rather than foreign, during the six [peacetime] years of his leadership of Germany were extraordinary ... He brought prosperity and confidence to the Germans, the kind of prosperity that is the result of confidence. The thirties, after 1933, were sunny years for most Germans; something that remained in the memories of an entire generation among them." / 45

Sebastian Haffner, an influential German journalist and historian who was also a fierce critic of the Third Reich and its ideology, reviewed Hitler's life and legacy in a much-discussed book. Although his portrayal of the German leader in *The Meaning of Hitler* is a harsh one, the author all the same writes: / 46

"Among these positive achievements of Hitler the one outshining all others was his economic miracle." While the rest of the world was still mired in the economic paralysis, Hitler had made "Germany an island of prosperity." Within three years, Haffner goes on, "crying need and mass hardship had generally turned into modest but comfortable prosperity. Almost equally important: helplessness and hopelessness had given way to confidence and self-assurance. Even more miraculous was the fact that the transition from depression to economic boom had been accomplished without inflation, at totally stable wages and prices ... It is difficult to picture adequately the grateful amazement with which the Germans reacted to that miracle, which, more particularly, made vast numbers of German workers switch from the Social Democrats and the Communists to Hitler after 1933. This grateful amazement entirely dominated the mood of the German masses during the 1936 to 1938 period ..."

"The scale of the Nazi economic achievement should not be underestimated," concludes Niall Ferguson, a Harvard University professor of history. "It was real and impressive. No other European economy achieved such a rapid recovery ... To most people in 1930s Germany it seemed there had been an economic miracle. The *Volksgemeinschaft* [national community] was more than mere rhetoric; it meant full employment, higher wages, stable prices, reduced poverty, cheap radios (the *Volksempfänger*) and budget holidays. It is too easily forgotten that there were more holiday camps than concentration camps in Germany between 1935 and 1939. Workers became better trained, farmers saw their incomes rise. Nor were foreigners unimpressed by what was happening. American corporations including Standard Oil, General Motors and IBM all rushed to invest directly in the German economy." / 47

Joachim Fest, another prominent German journalist and historian, reviewed Hitler's life in an acclaimed and comprehensive biography. "If Hitler had succumbed to an assassination or an accident at the end of 1938," he wrote, "few would hesitate to call him one of the greatest of German statesmen, the consummator of Germany's history." / 48 "No objective observer of the German scene could deny Hitler's considerable exploits," noted American historian John Toland. "If Hitler had died in 1937 on the fourth anniversary of his coming to power ... he undoubtedly would have gone down as one of the greatest figures in German history. Throughout Europe he had millions of admirers." / 49

Notes

1. J. K. Galbraith, *Money* (Boston: 1975), pp. 225-226.
2. J. K. Galbraith, *The Age of Uncertainty* (1977), pp. 214.
3. J. K. Galbraith in *The New York Times Book Review*, April 22, 1973. Quoted in: J. Toland, *Adolf Hitler* (Doubleday & Co., 1976), p. 403 (note).
4. J. K. Galbraith, *The Age of Uncertainty* (1977), pp. 213-214.

5. Hitler radio address, "Aufruf an das deutsche Volk," Feb. 1, 1933.
6. John A. Garraty, "The New Deal, National Socialism, and the Great Depression," *The American Historical Review*, Oct. 1973 (Vol. 78, No. 4), pp. 909-910.
7. Gordon A. Craig, *Germany 1866-1945* (New York: Oxford, 1978), p. 620.
8. Richard Grunberger, *The Twelve-Year Reich: A Social History of Nazi Germany, 1933-1945* (New York: Holt, Rinehart and Winston, 1971), p. 186. First published in Britain under the title, *A Social History of the Third Reich*.
9. R. Grunberger, *The Twelve-Year Reich* (1971), p. 187; David Schoenbaum, *Hitler's Social Revolution* (Norton, 1980 [softcover]), p. 100; Niall Ferguson, *The War of the World* (New York: Penguin, 2006), p. 247. Sources cited: A. Ritschl, *Deutschlands Krise und Konjunktur* (Berlin, 2002); G. Bry, *Wages in Germany, 1871-1945* (Princeton, 1960).
10. David Schoenbaum, *Hitler's Social Revolution* (Norton, 1980), p. 101.
11. David Schoenbaum, *Hitler's Social Revolution* (Norton, 1980 [softcover]), pp. 100, 102, 104; Historian Gordon Craig writes: "In addition to these undeniable gains [that is, in a better quality of life], German workers received significant supplementary benefits from the state. The party conducted a systematic and impressively successful campaign to improve working conditions in industrial and commercial plants, with periodic drives designed not only to see that health and safety regulations were enforced, but to encourage some alleviation of the monotony of daily labour at the same task by means of amenities like music and growing plants and special awards for achievement." G. Craig, *Germany 1866-1945* (Oxford, 1978), pp. 621-622.
12. Interview with Louis Lochner, Associated Press correspondent in Berlin. Quoted in: Michael Burleigh, *The Third Reich: A New History* (New York: 2000), p. 247.
13. G. Craig, *Germany 1866-1945* (Oxford, 1978), p. 623; John A. Garraty, "The New Deal, National Socialism, and the Great Depression," *The American Historical Review*, Oct. 1973 (Vol. 78, No. 4), pp. 917, 918.
14. J. A. Garraty, "The New Deal, National Socialism, and the Great Depression," *The American Historical Review*, Oct. 1973, pp. 917, 918.
15. Joachim Fest, *Hitler* (New York: 1974), pp. 434-435.
16. R. Grunberger, *The Twelve-Year Reich* (New York: 1971 [hardcover ed.]), p. 203.
17. R. Grunberger, *The Twelve-Year Reich* (1971), pp. 30, 208.
18. R. Grunberger, *The Twelve-Year Reich* (1971), pp. 198, 235.
19. G. Frey (Hg.), *Deutschland wie es wirklich war* (Munich: 1994), pp. 38, 44.
20. R. Grunberger, *The Twelve-Year Reich* (1971), p. 179; Niall Ferguson, *The War of the World* (New York: Penguin, 2006), p. 247.
21. D. Schoenbaum, *Hitler's Social Revolution* (1980), pp. 118, 144.
22. D. Schoenbaum, *Hitler's Social Revolution* (1980), pp. 144, 145; Franz Neumann, *Behemoth: The Structure and Practice of National Socialism 1933-1944* (New York: Harper & Row, 1966 [softcover]), pp. 326-319; R. Grunberger, *The Twelve-Year Reich* (1971), p. 177
23. R. Grunberger, *The Twelve-Year Reich* (1971), p. 177; D. Schoenbaum, *Hitler's Social Revolution* (Norton, 1980), p. 125.
24. D. Schoenbaum, *Hitler's Social Revolution* (1980), pp. 148, 149.
25. D. Schoenbaum, *Hitler's Social Revolution* (1980), pp. 148, 149. (By comparison, Schoenbaum notes, the income tax rate for the highest income bracket in 1966 in the German Federal Republic was about 44 percent.)

26. D. Schoenbaum, *Hitler's Social Revolution* (1980), p. 134.
27. G. Craig, *Germany 1866-1945* (Oxford, 1978), p. 633.
28. R. Grunberger, *The Twelve-Year Reich* (1971), pp. 26, 121; G. Frey (Hg.), *Deutschland wie es wirklich war* (Munich: 1994), pp. 50-51.
29. Quoted in: J. Toland, *Adolf Hitler* (Doubleday & Co., 1976), p. 405. Source cited: Cesare Santoro, *Hitler Germany* (Berlin: 1938).
30. R. Grunberger, *The Twelve-Year Reich* (1971), p. 223.
31. Evan Burr Bukey, *Hitler's Austria* (Chapel Hill: 2000), pp. 72, 73, 74, 75, 81, 82, 124. (Bukey is a professor of history at the University of Arkansas.)
32. R. Grunberger, *The Twelve-Year Reich* (1971), pp. 29, 234-235.
33. John Lukacs, *The Hitler of History* (New York: Alfred A. Knopf, 1997), pp. 97-98.
34. G. Craig, *Germany 1866-1945* (Oxford, 1978), pp. 629-630.
35. Hitler Reichstag address of Jan. 30, 1937.
36. Hitler Reichstag speech of April 28, 1939.
37. A. J. P. Taylor, *From Sarajevo to Potsdam* (Harcourt Brace Jovanovich, 1975), p. 140. See also: A. J. P. Taylor, *The Origins of the Second World War* (first published in 1961). See also: Burton H. Klein, *Germany's Economic Preparations For War* (Harvard Univ. Press, 1959). Pertinent excerpts from this important book are published in: H. W. Koch, *Aspects of the Third Reich* (1985), pp. 360-370.
38. John A. Garraty, "The New Deal, National Socialism, and the Great Depression," *The American Historical Review*, Oct. 1973 (Vol. 78, No. 4), p. 944. (Garraty taught history at Michigan State University and at Columbia University, and served as president of the Society of American Historians.)
39. John A. Garraty, "The New Deal, National Socialism, and the Great Depression," *The American Historical Review*, Oct. 1973 (Vol. 78, No. 4), p. 917, incl. n. 23. Garraty wrote: "Certainly full employment was never approached in America until the economy was shifted to all-out war production ... American unemployment never fell much below eight million during the New Deal. In 1939 about 9.4 million were out of work, and at the time of the 1940 census (in March) unemployment stood at 7.8 million, almost fifteen percent of the work force."
40. William E. Leuchtenburg, *Franklin Roosevelt and the New Deal* (New York: Harper & Row, 1963 [softcover]), pp. 346-347.
41. Hitler Reichstag address of Dec. 11, 1941. (http://www.ihr.org/jhr/v08/v08p389_Hitler.html)
42. Hitler address in Berlin, Oct. 3, 1941.
43. During a visit to Berlin in the 1930s, former US president Herbert Hoover met with Hitler's Finance Minister, Count Lutz Schwerin von Krosigk, who explained at length his government's economic policies. While acknowledging that these measures were beneficial for Germany, Hoover expressed the view that they were not suitable for the United States. Government-directed wage and price policies, he believed, would be contrary to the American notion of personal freedom. See: Lutz Graf Schwerin von Krosigk, *Es geschah in Deutschland* (Tübingen/ Stuttgart: 1952), p. 167; The influential British economist John Maynard Keynes wrote in 1936 that his "Keynesian" policies, which to some extent were embraced by the Hitler government, "can be much easier adapted to the conditions of a totalitarian state" than in a country where "conditions of free competition and a large degree of laissez-faire" prevail. Quoted in: James J. Martin, *Revisionist Viewpoints* (1977), pp. 187-205 (See also: R. Skidelsky, *John Maynard Keynes: The Economist as Savior 1920-1937* [New York: 1994], p. 581.); Research in recent years shows that greater ethnic diversity reduces levels of social trust, and the workability of social welfare policies. See: Robert D. Putnam, "E Pluribus Unum: Diversity and Community in the Twenty-first Century," *Scandinavian Political Studies*, June 2007. See also: Frank Salter, *Welfare, Ethnicity, and Altruism* (Routledge, 2005)
44. *Daily Express* (London), Nov. (or Sept.?) 17, 1936.

45. John Lukacs, *The Hitler of History* (New York: Alfred A. Knopf, 1997), pp. 95-96

46. S. Haffner, *The Meaning of Hitler* (New York: Macmillan, 1979), pp. 27-29. First published in 1978 under the title *Anmerkungen zu Hitler*. See also: M. Weber, "Sebastian Haffner's 1942 Call for Mass Murder," *The Journal of Historical Review*, Fall 1983 (Vol. 4, No. 3), pp. 380-382.

47. Niall Ferguson, *The War of the World* (New York: Penguin, 2006), pp. 245-246, 248. Sources cited: Albrecht Ritschl, *Deutschlands Krise und Konjunktur* (Berlin, 2002); Gerhard Bry, *Wages in Germany, 1871-1945* (Princeton, 1960).

48. Joachim C. Fest, *Hitler* (New York: Harcourt, 1974), p. 9. Quoted in: S. Haffner, *The Meaning of Hitler* (1979), p. 40.

49. J. Toland, *Adolf Hitler* (Doubleday & Co., 1976), pp. 407. 409.

-- November 2011 and February 2012

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